

**PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2019-077-00312R

Parcel No. 320/01249-000-000

Christopher Lynn,

Appellant,

vs.

Polk County Board of Review,

Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on February 18, 2020. Christopher Lynn was self-represented. Assistant Polk County Attorney David Hibbard represented the Board of Review.

Christopher Lynn owns a residential property located at 736 11th Street, West Des Moines. The property's January 1, 2019, assessment was set at \$163,900, allocated as \$51,200 in land value and \$112,700 in dwelling value. (Exs. A & B).

Lynn petitioned the Board of Review contending the assessment was not equitable compared with the assessments of other like property. Iowa Code § 441.37(1)(a)(1) (2019). The Board of Review denied the petition.

Lynn then appealed to PAAB claiming the property is assessed for more than the value authorized by law. § 441.37(1)(a)(2).

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may

consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code Rule 701–126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. *Id.*; see also *Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a one-story home with a finished attic built in 1942. It has 1200 square feet of gross living area, a full unfinished basement, two full bathrooms, and a two-car detached garage. It is listed in above-normal condition with average-quality construction (grade 4+00). The Assessor's Office applied 25% physical depreciation to the dwelling and 50% physical depreciation to the garage. No other obsolescence was applied. The site is 0.248 acres. (Ex. A).

Lynn purchased the property in 2018 for \$175,000 but believes comparable sales indicate a lower value.

The Board of Review submitted a mortgage appraisal prepared by James Bo Tompkins, Tompkins Appraisal, Urbandale. Tompkins relied on three 2017 sales of West Des Moines properties of similar age and size that sold between \$172,500 and \$178,930. Tompkins adjusted the sales for differences, such as condition, size, bathrooms, and garages. Tompkins opined an "as is" December 2017 value for the property of \$175,000 and a "subject to" value of \$181,000. The conditional value was based on completion of new kitchen cabinets, countertops, and windows. Lynn testified this work had been completed but asserts because the appraisal is over a year old it is no longer relevant. We note the appraisal is only a few days over a year old. (Ex. D). It

also states the subject's two bathrooms¹ were remodeled less than a year prior to its sale.

Lynn submitted five comparables including three 2018 sales and two 2019 sales. The following table summarizes Lynn's comparables. (Exs. 1-5).

Address	Year Built	Site Size (Acres)	Gross Living Area (SF)	Basement Finish (SF)	2019 Assessed Value	Date of Sale	Sale Price
Subject	1942	0.248	1200	0	\$163,900	Jan-18	\$175,000
1 – 512 Valhigh Rd	1950	0.165	1262	360	\$169,800	Mar-19	\$105,320
2 – 1115 ½ Locust St	1945	0.152	1150	0	\$114,800	Nov-18	\$121,800
3 – 821 7th St	1948	0.189	1703	0	\$178,100	Dec-18	\$118,000
4 – 700 9th St	1920	0.288	1162	0	\$146,100	Oct-18	\$150,000
5 – 613 8th St	1920	0.166	1462	0	\$128,200	Jan-19	\$152,500
6 - 804 8th Street	1905	0.211	1303	0	\$149,600	July-18	\$152,500

Lynn did not adjust any of the comparable properties for differences between them and the subject property to arrive at an opinion of value as of January 1, 2019.

Comparable 1 has a 4+05 grade rating, a deck and a patio, and a partially finished basement; all which would result in a higher assessed value compared to the subject property. However, it has a normal condition rating and only 1.5 bathrooms, which is inferior to the subject. We note the 2019 sale of this property appears to have been a purchase by an investor. Further, the 2019 sale was over \$20,000 less than what it sold for in 2014. This could be an indication the 2019 sale that Lynn relies on may have been distressed. (Ex. 1).

Comparable 2 is listed in very-good condition but has no garage, no air conditioning, and a lower 5+00 quality (below-average) grade compared to the subject property. (Ex. 2).

Comparable 3 is listed in above-normal condition like the subject but has a slightly higher 4+05 quality grade and a brick exterior. It has a deck and is larger in size

¹ Lynn testified his second bathroom is a three-quarters bath.

as compared to the subject but lacks a garage and has 1.5 bathrooms. The seller of Comparable 3 was a religious entity. (Ex. 3).

Comparables 4 and 5 were similar 4+00 quality grade, but listed in normal condition. Sale 5 was larger in gross living area, but has one fewer bathroom than the subject. Both had one-car detached garages and a deck or porch.

Though similar in size, Comparable 6 is roughly forty years older than the subject. It was remodeled in 2018, but has an inferior quality of construction grade (5+10) as compared to the subject. It only has one bathroom and its garage is slightly smaller than the subject's.

Lynn acknowledged there are some differences between his property and his comparables. In particular, he recognized his second bathroom has value relative to those comparables with only one bathroom. He noted his additional bathroom was given a replacement cost new of \$3000 on his assessment, but his assessment exceeds his comparables by more than \$3000. He believes his property should be assessed for roughly \$152,000 to \$153,000 based on the comparables.

Analysis & Conclusions of Law

Lynn contends the subject property is over assessed. § 441.37(1)(a)(2).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted). Sale prices of the subject property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b). The subject's sale price, however, does not conclusively establish its market value. *Riley v. Iowa City Bd. of Review*, 549 N.W.2d 289, 290 (Iowa 1996).

The subject sold in 2018 but Lynn asserts its market value is less as of January 1, 2019. We note the subject's 2019 assessed value of \$163,900 is less than his purchase price of \$175,000.

Lynn submitted several recent sales but we find two of them (Comparables 1 and 3) appear to have been either a distressed sale, or the sale of property by an exempt organization. Their sale prices appear to be outliers and we do not believe the unadjusted sale prices of these comparables are an accurate reflection of the subject's market value.

Acknowledging that two properties are rarely perfect comparables, the comparables Lynn offered contained various points of differences, such as age, condition, bathroom counts, and garage sizes. We believe these differences warranted adjustments, but no adjustments were made to arrive at an opinion of value as of January 1, 2019. *Soifer*, 759 N.W.2d at 783 ("When sales of other properties are admitted, the market value of the assessed property must be adjusted to account for differences between the comparable property and the assessed property to the extent any differences would distort the market value of the assessed property in the absence of such adjustments."). Moreover Lynn did not provide an appraisal, or a Comparable Market Analysis (CMA), which is typical evidence to support a claim of over assessment.

The Board of Review submitted the mortgage appraisal that was completed as part of Lynn's purchase of the property. The appraisal verifies the purchase price was at market value. In addition, the opinion of market value was higher based on the completion of updates that Lynn testified had been completed. In total, the sales price and the adjusted sales in the appraisal indicate the subject property's assessment is not excessive.

Viewing the record as a whole, we conclude that Lynn failed to show his property was over assessed.

Order

PAAB HEREBY AFFIRMS the Polk County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order² and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Dennis Loll, Board Member



Elizabeth Goodman, Board Member



Karen Oberman, Board Member

Copies to:

Christopher Lynn by eFile

Polk County Board of Review by eFile

² Due to the State Public Health Disaster Emergency caused by the coronavirus (COVID-19), the deadline for filing a judicial review action may be tolled pursuant to orders from the Iowa Supreme Court. Please visit the Iowa Judicial Branch website at <https://www.iowacourts.gov/iowa-courts/supreme-court/orders/> for the most recent Iowa Supreme Court orders.